

**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

Registered Housing Association Number: HAC 233  
Charity Registration Number: SC045357  
FCA Reference Number: 2379R (S)

COPPERWORKS HOUSING ASSOCIATION LIMITED

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**COPPERWORKS HOUSING ASSOCIATION LIMITED  
THE MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2023**

**MEMBERS OF THE MANAGEMENT COMMITTEE**

Maureen Flynn	(Chairperson)	
Alan Shute	(Vice Chair)	
Rosemary Gallagher	(Secretary)	
Geraldine McLaughlin	(Treasurer)	
Luis Paulino	(Committee Member)	
Stephen Penrice	(Committee Member)	Resigned 31/7/2023
Peter Kane	(Committee Member)	Resigned 31/7/2023
Florence Dioka	(Committee Member)	
Osman Lamin Sidique	(Committee Member)	
Nick Brown	(Committee Member)	Resigned 18/11/2022

**EXECUTIVE OFFICERS**

Margaret Brownlie	(Depute Director)
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**REGISTERED OFFICE**

43 Tharsis Street  
Roystonhill  
Glasgow  
G21 2JF

**AUDITOR**

French Duncan LLP trading as AAB  
Chartered Accountants  
Statutory Auditor  
133 Finnieston Street  
Glasgow  
G3 8HB

**BANKERS**

Virgin Money plc 40 St Vincent Place Glasgow G1 2HL	Nationwide Building Society Kings Park Road, Moulton Park Northampton NN3 6NW
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**SOLICITORS**

TC Young 7 West George Street Glasgow G2 1BA	BTO Solicitors 48 St Vincent Street Glasgow G2 5HS
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# **COPPERWORKS HOUSING ASSOCIATION LIMITED**

## **REPORT FROM THE MANAGEMENT COMMITTEE**

### **FOR THE YEAR ENDED 31 MARCH 2023**

The Management Committee presents their report and the audited Financial Statements for the year ended 31 March 2023.

#### **Legal Status**

The Association is a registered non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014 No. 2379R (s). The Association is governed under its Rule Book. The Association is a Registered Scottish Charity with the charity number SC045357.

#### **Principal Activities**

The principal activity of the Association is the provision of good quality social housing at an affordable rent. Our Vision Statement is that Copperworks Housing Association will lead the way in delivering outstanding customer services and great places to live.

#### **Strategy & Objectives**

The Association's mission is to provide locally based, high quality, affordable housing and services which will contribute to the well-being of the community we serve. The vision for Copperworks is to be the landlord of choice in our neighbourhood, working with our customers, community, and local stakeholders to create an area where people choose and are happy to live. Great service and value for money are at our core and we strive relentlessly to balance both. The achievement of our mission, vision and strategic objectives is underpinned by our values of Excellence, Accountability and Partnership Working, which shape how we do business. 2022/23 was the final year for our business plan objectives, the Strategic Objectives of the Association are outlined below:

- Maintain and enhance strong strategic governance
- Ensure that customers receive the highest possible standard of service at all times
- Provide quality homes in an attractive environment
- Seek to improve our financial strength and deliver value for money
- Develop our leadership and staff
- Continue our role as a community anchor by providing services and improving our commitment to grow and thrive

This comprehensive review of our strategy and objectives took account of tenant views and priorities and was prepared following a series of joint strategy events with our partners at Spire View Housing Association. As well as clarifying our purpose, potential and priorities, the new plan reaffirmed the strategic direction of the Association as well as identifying and implementing a Transfer of Engagements to Spire View Housing Association.

#### **Review of Business**

Our progress during the year was excellent and included:

- The committee training programme and all training courses were successfully delivered.
- The self-assessment review concluded in September 2022 and the Annual Assurance Statement has been approved by the SHR.
- Our Risk Register was reviewed as part of the Business Planning process in March 2022 and continued to be reviewed and updated quarterly throughout the year.
- The most recent Stock Condition Survey report has been received and has been integrated into future financial projections and investment.
- Committee appraisals completed. Learning and development plans issued to all members taking part. Committee Succession Strategy and Training Plan approved in April 2022.
- Continued to progress the Roystonhill masterplan in conjunction with local partners to consider options for the development of the Millburn Centre and adjacent site.
- A comprehensive review of our Risk Management Strategy.

**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
**REPORT FROM THE MANAGEMENT COMMITTEE**  
**FOR THE YEAR ENDED 31 MARCH 2023**

- A further review, through a workshop-based session, of all the risks facing the Association and systems in place for monitoring, reporting and mitigation.
- Continued our programme of independent internal audit.
- A continuation of our Wider Role programme to include the provision of various services including; Money Advice, Financial Capability and Tenancy Support.
- A thorough programme of appraisals and training for staff.
- Continued membership and an active, leading role in the Royston Strategy Group which includes all RSL's, MP, Councillors, MSP, Rosemount Development Trust, GHA, Rosemount Lifelong Learning, Police, Fire Service, Royston Youth Action, North Glasgow Community Food Initiative, and local schools.

The members of the Management Committee are of the opinion that the state of affairs of the Association is satisfactory. The deficit for the year was £26,772 (2022 - surplus of £49,089). Following incorporation of other comprehensive income movements in respect of the SHAPS pension liability, the Association had a negative total comprehensive income of £76,772 (2022 - total comprehensive income of £160,089). Expenditure on planned, cyclical, reactive and void repairs totalled £344,016 (2022 - £328,755). There was expenditure on component replacements during the year amounting to £118,580 (2022 - £1,138,699). Net assets now stand at £5,752,331 (2022 - £5,829,124).

**Transfer of Engagements to Spire View**

During June and July 2022, we revisited the Options Appraisal previously carried out by Arneill Johnston in 2020 and also instructed an initial tenant consultation exercise that was carried out by our Independent Tenant Advisors at TPAS. The outcome of this process enforced what was previously agreed by the Management Committees i.e., Transfer of Engagements from Copperworks to Spire View. It was subsequently agreed at the Committee meetings on 29/30 August 2022 to move with the ToE from Copperworks to Spire View and staff were instructed to proceed with this transfer as soon as possible with the aim of:

- Strengthening governance;
- Providing best value for tenants by reducing management costs;
- Supporting excellent services to tenants and other service users;
- Assisting in the delivery of an accelerated investment programme;
- Working in partnership with owner occupiers to provide better outcomes for residents;
- Improving performance;
- Ensuring rents remain affordable; and
- Providing a platform to potentially develop new services to meet local needs.

Following approval of the joint transfer Business Case on 23rd December 2022, we commenced formal consultation with Copperworks tenants on the transfer and the offer that had been agreed through the issue of the Stage 1 Notice.

The outcome of the Stage 1 formal Copperworks tenant consultation on the transfer proposal was considered by Committees on 3rd / 4th April 2023. This reported high levels of engagement with Copperworks tenants (85.95%) and strong support for the transfer with 92.56% reporting that they planned to vote YES in the ballot. Based on this, both Committees agreed that no changes be made to the offer as a result of the feedback and that a second Notice (Stage 2) be issued to Copperworks tenants to confirm that and the intention to seek tenants' approval to the transfer by conducting the tenant ballot.

The Stage 2 Notice and Pre Ballot-Notice to alert Copperworks tenants that the ballot would shortly commence and to encourage them to cast their vote and vote YES were issued on 11<sup>th</sup> April 2023. These were copied to factored owners, shareholders, and other key stakeholders.

**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
**REPORT FROM THE MANAGEMENT COMMITTEE**  
**FOR THE YEAR ENDED 31 MARCH 2023**

The independent tenant ballot to seek authorisation to the transfer closed on 22nd May 2023. We received a record-breaking **87.3%** turnout and a **93.1%** YES vote. As required by SHR guidance, a notifiable event was raised by Copperworks to advise SHR of the result.

Following the very positive ballot result, approval was given to call Copperworks' SGMs with SGM1 taking place in person in accordance with the Rules of the Association on 8th June 2023. This meeting was asked to approve the special transfer resolution agreed by Copperworks Committee.

The meeting was quorate, and we obtained approval of the transfer resolution by 48 votes in favour, with 1 voting against. Two copies of the resolution in the required form were then signed by the Chair and the Secretary.

Spire View held its Committee meeting on 20th June 2023 and approved their special resolution to accept the transfer. Two copies of the resolution in the required form were signed.

Copperworks then held SGM 2 on 26<sup>th</sup> June 2023 in the same format as SGM 1. The meeting was quorate, and we obtained unanimous support to confirm approval of the transfer resolution with 49 votes cast in favour. Two copies of the resolution confirmed at SGM 2 in the required form were then signed by the Chair and the Secretary.

Following approval of the resolutions, the FCA application to register the transfer was signed by the Depute Director for Copperworks and the Director for Spire View in the presence of TC Young. The completed and signed application and signed resolutions were promptly lodged by email with the FCA by TC Young on 30<sup>th</sup> June 2023, requesting that the transfer be registered on 1 August 2023. A Notifiable Event was raised with SHR via the portal to record that the FCA application was being made as required by the FCA.

The transfer of engagements was completed on 1 August 2023.

**Future Plans**

Following the Transfer of Engagements, final accounts will be prepared for the four-month period to 31 July 2023, and approved and submitted in accordance with legal, financial, and regulatory requirements. Spire View will manage the process of deregistration on behalf of Copperworks with the various bodies.

**Principal Risks and Uncertainties Faced**

The comprehensive review during 2022/23 identified and analysed several risks facing the Association including those relating to:

- Cost of living crisis
- Welfare reform
- Potential IT Systems Failures
- Tenant Expectations
- EESSH2 Compliance
- Mould and Damp
- Interest Rates
- Changing Regulatory Landscape
- Rent Levels
- Effective Governance and;
- New Build Development

Using a robust scoring matrix, the Association considered the level of risk presented to the organisation and the control measures required in order to mitigate the risk. The residual risk level was then calculated, an action plan developed, and risk 'owner' identified. The risk register is overseen by the Management Committee quarterly through business planning and reporting.

## **COPPERWORKS HOUSING ASSOCIATION LIMITED**

### **REPORT FROM THE MANAGEMENT COMMITTEE**

### **FOR THE YEAR ENDED 31 MARCH 2023**

As indicated above, the effect of the cost-of-living crisis among other key risks continues to present uncertainty and risks for the Association and Scottish Social Housing Sector. These risks are around governance, finance, service delivery, legislation, vulnerable tenants, home working, cyber security, financial institutions, recovery and recurrence. Each of these risks has been fully assessed by the Association, included in the Risk Register and appropriate mitigation and control measures implemented, along with intensive monitoring.

Overall, the full economic impact of worldwide events is gradually becoming apparent. Rising interest rates and fuel costs along with high inflation will undoubtedly result in financial difficulties across the country. The extent to which this will impact directly on the Association is not yet entirely clear and we continue to monitor this very closely to safeguard tenants' best interests.

#### **Financial / Non-Financial KPI's**

Performance Indicators and Targets were reviewed during the business planning process. These aim to maintain and further improve our positive performance across a number of key areas including arrears, voids, complaints, tenant satisfaction, repairs, gas safety, SHQS, EESSH, anti-social behaviour and staff absence.

#### **Going Concern**

As noted in this report, under a transfer of engagements the assets and trade of the Association have been transferred to Spire View Housing Association and Copperworks ceased operations on 1<sup>st</sup> August 2023.

The accounts have been prepared on a basis other than the going concern basis, further details of which are given in note 1 to the accounts.

#### **Governance**

The members of the Management Committee and Executive Officers are listed on page 1.

Each member of the Management Committee holds one fully paid share of £1 in the Association. The Executive Officers hold no interest in the association's share capital and, although not having the legal status of Directors, they act as Executives within the authority delegated by the Management Committee.

The members of the Management Committee are also Trustees of the Charity. Members of the Management Committee are appointed by the members at the Association's Annual General Meeting.

#### **Statement of Management Committee's responsibilities**

The Co-operative and Community Benefit Societies Act 2014 require The Management Committee to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association for that year. In preparing those Financial Statements, the Management Committee is required to:-

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business;
- Prepare a statement on Internal Financial Control.

The Management Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the Financial Statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements - 2019. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Association's suppliers are paid promptly.

**COPPERWORKS HOUSING ASSOCIATION LIMITED  
REPORT FROM THE MANAGEMENT COMMITTEE  
FOR THE YEAR ENDED 31 MARCH 2023**

The Management Committee must in determining how amounts are presented within items in the income and expenditure account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting practices. In so far as the Management Committee are aware:

- There is no relevant audit information (information needed by the Housing Association's auditors in connection with preparing their report) of which the Association's auditor is unaware, and
- The Management Committee have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Housing Association's auditor is aware of that information.

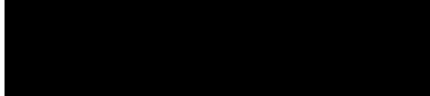
**Post balance sheet events**

The transfer of engagements from Copperworks Housing Association Limited to Spire View Housing Association Limited concluded on 1 August 2023.

**Donations**

During the year, the Association made charitable donations amounting to £1,350 (2022 - £700).

By order of Management Committee.



**Rosemary Gallagher,  
Secretary**

**Date: 1<sup>st</sup> September 2023**



**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
**REPORT FROM THE MANAGEMENT COMMITTEE**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**Statement on Internal Financial Control**

The Management Committee acknowledges its ultimate responsibility for ensuring that the Association has in place a system of controls that is appropriate for the business environment in which it operates. These controls are designed to give reasonable assurance with respect to:

- the reliability of financial information used within the Association, or for publication;
- the maintenance of proper accounting records;
- the safeguarding of assets against unauthorised use or disposition.

It is the Management Committee's responsibility to establish and maintain systems of internal financial control. Such systems can only provide reasonable and not absolute assurance against material financial misstatement or loss. Key elements of the Association's systems include ensuring that:

- formal policies and procedures are in place, including the ongoing documentation of key systems and rules relating to the delegation of authority, which allow the monitoring of controls and restrict the unauthorised use of Association's assets;
- experienced and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared which allow the management team and the Management Committee to monitor key business risks, financial objectives and the progress being made towards achieving the financial plans set for the year and for the medium term;
- quarterly financial management reports are prepared promptly, providing relevant, reliable and up to date financial and other information, with significant variances from budget being investigated as appropriate;
- regulatory returns are prepared, authorised and submitted promptly to the relevant regulatory bodies;
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Management Committee;
- the Management Committee receives reports from management and from the external and internal auditors to provide reasonable assurance that control procedures are in place and are being followed and that a general review of the major risks facing the Association is undertaken; and
- formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

The Management Committee has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year end 31 March 2023. No weaknesses were found in the internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

By order of the Management Committee



**Rosemary Gallagher,**  
**Secretary**

**Date: 1<sup>st</sup> September 2023**

**COPPERWORKS HOUSING ASSOCIATION LIMITED**

**REPORT BY THE AUDITOR TO THE MEMBERS OF COPPERWORKS HOUSING ASSOCIATION LIMITED ON  
CORPORATE GOVERNANCE MATTERS FOR THE YEAR ENDED 31 MARCH 2023**

In addition to our audit of the Financial Statements, we have reviewed your statement on page 7 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained in the publication "Our Regulatory Framework" and associated Regulatory Advice Notes which are issued by the Scottish Housing Regulator.

**Basis of opinion**

We carried out our review having regard to the requirements relating to corporate governance matters within Bulletin 2006/5 issued by the Financial Reporting Council. The Bulletin does not require us to review the effectiveness of the Association's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reasons given for non-compliance.

**Opinion**

In our opinion the Statement on Internal Financial Control on page 7 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advice Notes by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

Through enquiry of certain members of The Management Committee and Officers of the Association, and examination of relevant documents, we have satisfied ourselves that The Management Committee's Statement on Internal Financial Control appropriately reflects the Association's compliance with the information required by the relevant Regulatory Standards in respect of internal financial controls within the publication "Our Regulatory Framework" and associated Regulatory Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls.



**French Duncan LLP trading as AAB**

Chartered Accountants and Statutory Auditor  
133 Finnieston Street  
GLASGOW  
G3 8HB

Date: 8 September 2023

**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COPPERWORKS HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2023**

**Opinion**

We have audited the financial statements of Copperworks Housing Association Limited for the year ended 31 March 2023 which comprise a statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in capital and reserves and related notes including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the Financial Statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements February 2019.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs UK) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the housing association in accordance with the ethical requirements that are relevant to our audit of financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of matter – financial statements prepared on basis other than going concern**

We draw attention to the disclosures made in note 1 of the financial statements, which explains the transfer of the net assets and trade of the Association to another Association since the year end. Accordingly, the financial statements have been prepared on a basis other than going concern. Our opinion is not modified in respect of this matter.

**Other information**

The other information comprises the information contained in the Management Committee's report other than the financial statements and our auditor's report thereon. The Management Committee are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COPPERWORKS HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2023**

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you, if in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the Association has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account of the Association; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of committee members**

As explained more fully in the Management Committee's responsibilities statement set out on page 5 and 6, the committee members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Management Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management Committee are responsible for assessing the housing association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee members either intend to liquidate the housing association or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under the Co-operative and Community Benefit Societies Act 2014 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide the basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the housing association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee members.

## **COPPERWORKS HOUSING ASSOCIATION LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COPPERWORKS HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2023**

#### **Auditor's responsibilities for the audit of the financial statements (continued)**

- Conclude on the appropriateness of the Management Committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the housing association to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

#### ***The extent to which the audit was considered capable of detecting irregularities including fraud***

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities, and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the association through discussions with management and management committee members and from our sector knowledge;
- we focused on specific laws and regulations, including those specified by the Scottish Housing Regulator, which we considered may have a direct material effect on the financial statements or the operations of the association, including the Co-operative and Community Benefit Societies Act 2014, Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Statement of Recommended Practice for Social Housing Providers 2018 and Determination of Housing Requirements 2019, and data protection, anti-bribery, employment, and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and committee members; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COPPERWORKS HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2023**

***The extent to which the audit was considered capable of detecting irregularities including fraud (continued)***

We assessed the susceptibility of the association's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management and management committee members as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected, and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed high level analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- reviewing internal audit reports prepared during the year;
- enquiring of management and management committee members as to actual and potential litigation and claims; and
- reviewing correspondence with Scottish Housing Regulator.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the management committee and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COPPERWORKS HOUSING ASSOCIATION**  
**LIMITED FOR THE YEAR ENDED 31 MARCH 2023**

**Use of our report**

This report is made solely to the Association's members, as a body, in accordance with Section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.



**French Duncan LLP trading as AAB**

Chartered Accountants and Statutory Auditor  
133 Finnieston Street  
GLASGOW  
G3 8HB

Date: 8 September 2023

**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	2023 £	2022 £
<b>REVENUE</b>	2	1,282,771	1,274,883
Operating costs	2	<u>(1,288,607)</u>	<u>(1,203,584)</u>
<b>OPERATING (DEFICIT) / SURPLUS</b>	2, 9	(5,836)	71,299
Loss on disposal of component replacements	7	(1,086)	(11,886)
Interest receivable and other similar income		5,270	717
Interest payable and other similar charges	8	(22,120)	(5,041)
Other Finance Charges	11	<u>(3,000)</u>	<u>(6,000)</u>
		<u>(20,936)</u>	<u>(22,210)</u>
<b>(DEFICIT) / SURPLUS FOR THE YEAR</b>		(26,772)	49,089
<b>OTHER COMPREHENSIVE INCOME</b>			
Actuarial (loss) / gain in respect of pension scheme	23	(50,000)	111,000
<b>TOTAL COMPREHENSIVE INCOME</b>		<u><u>(76,772)</u></u>	<u><u>160,089</u></u>

The results for the year relate wholly to continuing activities.

The financial statements were approved by the Management Committee, authorised for issue, and signed on its behalf on 1<sup>st</sup> September 2023.



**Maureen Flynn**  
Chairperson



**Alan Shute**  
Vice Chairperson



**Rosemary Gallagher**  
Secretary

The notes on page 18 to 40 form part of these financial statements.



**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2023**

	Notes	2023 £	2022 £
<b>NON-CURRENT ASSETS</b>			
Housing properties - depreciated cost	12(a)	6,709,606	6,749,652
Other tangible fixed assets	12(b)	<u>1,916</u>	<u>477</u>
		6,711,522	6,750,129
<b>CURRENT ASSETS</b>			
Debtors	13	138,950	151,561
Cash at bank and in hand		<u>816,864</u>	<u>895,579</u>
		955,814	1,047,140
<b>CREDITORS:</b> amounts falling due within one year	14	<u>(280,336)</u>	<u>(323,928)</u>
<b>NET CURRENT ASSETS</b>		<u>675,478</u>	<u>723,212</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		7,387,000	7,473,341
<b>CREDITORS:</b> amounts falling due after more than one year			
housing property loans	15	(647,866)	(699,835)
<b>PROVISIONS FOR LIABILITIES</b>			
Pension - defined benefit liability	23	(70,000)	(48,000)
<b>DEFERRED INCOME</b>			
Social Housing Grants	18	(69,879)	(70,631)
Other Grants	18	<u>(846,924)</u>	<u>(825,751)</u>
		<u>5,752,331</u>	<u>5,829,124</u>
<b>EQUITY</b>			
Share capital	19	88	109
Revenue reserve	19	<u>5,752,243</u>	<u>5,829,015</u>
		<u>5,752,331</u>	<u>5,829,124</u>

The financial statements were approved by the Management Committee, authorised for issue, and signed on its behalf on 1<sup>st</sup> September 2023.

  
**Maureen Flynn**  
Chairperson

  
**Alan Shute**  
Vice Chairperson

  
**Rosemary Gallagher**  
Secretary

The notes on page 18 to 40 form part of these financial statements.

**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	2023 £	2022 £
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	16	<u>87,899</u>	<u>208,758</u>
<b>INVESTING ACTIVITIES</b>			
Acquisition and construction of housing properties	12 (118,580)	(1,146,878)	
Purchase of other fixed assets	12 (2,158)	(714)	
Capital grant received	18 <u>21,173</u>	<u>-</u>	
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>		<u>(99,565)</u>	<u>(1,147,592)</u>
<b>NET CASH OUTFLOW BEFORE FINANCING</b>		(11,666)	(938,834)
<b>FINANCING ACTIVITIES</b>			
Issue of ordinary share capital	19 6	8	
Interest received	5,270	717	
Interest paid	(22,120)	(5,041)	
Loan principal repayments	17 <u>(50,205)</u>	<u>(57,252)</u>	
<b>NET CASH OUTFLOW FROM FINANCING</b>		<u>(67,049)</u>	<u>(61,568)</u>
<b>DECREASE IN CASH</b>		(78,715)	(1,000,402)
<b>OPENING CASH AND CASH EQUIVALENTS</b>		895,579	1,895,981
<b>CLOSING CASH AND CASH EQUIVALENTS</b>		<u><u>816,864</u></u>	<u><u>895,579</u></u>

The notes on page 18 to 40 form part of these financial statements.

**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
**STATEMENT OF CHANGES IN CAPITAL AND RESERVES**  
**FOR THE YEAR ENDED 31 MARCH 2023**

	Share Capital	Revenue Reserve	Total
	£	£	£
Balance as at 1 April 2022	109	5,829,015	5,829,124
Issue of Shares	6	-	6
Cancelled shares	(27)	-	(27)
Deficit for Year	-	(26,772)	(26,772)
Other Comprehensive Income	-	(50,000)	(50,000)
Balance as at 31 March 2023	<u>88</u>	<u>5,752,243</u>	<u>5,752,331</u>

	Share Capital	Revenue Reserve	Total
	£	£	£
Balance as at 1 April 2021	111	5,668,926	5,669,037
Issue of Shares	8	-	8
Cancelled shares	(10)	-	(10)
Surplus for Year	-	49,089	49,089
Other Comprehensive Income	-	111,000	111,000
Balance as at 31 March 2022	<u>109</u>	<u>5,829,015</u>	<u>5,829,124</u>

The notes on page 18 to 40 form part of these financial statements.

**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**  
**NOTES TO THE FINANCIAL STATEMENTS**

**1. Principal accounting policies**

**Legal status**

The Association is incorporated under the Co-operative and Community Benefit Societies Act 2014 and is registered by the Financial Conduct Authority. The Association is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102.

**Basis of accounting**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice for Social Housing Providers 2018 and comply with the requirements of the Determination of Housing Requirements 2019 as issued by the Scottish Housing Regulator.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Association's accounting policies (see below).

The following principal accounting policies have been applied:

**Going concern**

As explained in the Report from the Management Committee, on 1 August 2023 the assets and trade of the Association were transferred to Spire View Housing Association and Copperworks Housing Association ceased operations on this date and hence the financial statements have been prepared on a basis other than that of the going concern basis.

In preparing the financial statements on this basis, the Management Committee has:

- reviewed the carrying value of assets, with regard to their net realisable value; and
- not provided for future costs of terminating the Association unless such costs were committed at the reporting date.

**Revenue**

The Association recognises rent receivable net of losses from voids. Service Charge Income (net of voids) is recognised as expenditure is incurred as this is the point when the service has been performed and the revenue recognition criteria is met.

**Retirement benefits**

The Association participates in the Scottish Housing Association Defined Benefits Pension Scheme and retirement benefits to employees of the Association are funded by the contributions from all participating employers and employees in the Scheme. Payments are made in accordance with periodic calculations by consulting Actuaries and are based on pension costs applicable across the various participating Associations taken as a whole.

The Association accounts for the pension scheme on a defined benefit basis based on its share of scheme assets and liabilities as determined by the actuary. Defined benefit costs are recognised in the Statement of Comprehensive Income within operating costs. Actuarial gains and losses are recognised in Other Comprehensive Income.

Further details of the scheme and its assumptions are included at note 23.

The Association closed the defined benefit scheme at 31 March 2016 and transferred staff over to the SHAPS defined contribution scheme.

**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**  
**NOTES TO THE FINANCIAL STATEMENTS**

**1. Principal accounting policies (continued)**

**Housing properties**

Housing Properties are stated at cost less accumulated depreciation and impairment. Housing under construction and Land are not depreciated. The Association depreciates housing properties by major component on a straight-line basis over the estimated useful economic lives of each identified component. All components are categorised as Housing Properties within note 12. Impairment reviews are carried out if events or circumstances indicate that the carrying value of the components listed below is higher than the recoverable amount. Any shortfall in the depreciation provided on components is treated as a loss in the year of disposal.

Component	Useful Economic Life
Land	Not depreciated
Building	100 years
Roof	50 years
Electrical Systems	30 years
Windows	30 years
Radiators	30 years
Boilers	18 years
Bathrooms	22 years
Kitchens	18 years

**Depreciation and impairment of other non-current assets**

Non-Current Assets are stated at cost less accumulated depreciation. Depreciation is charged on a straight-line basis over the expected economic useful lives of the assets at the following annual rates: -

Furniture and Fittings	20% Reducing balance
Computer Equipment	33% Straight line

The carrying value of non-current assets is reviewed for impairment at the end of each reporting year.

**Social Housing Grant and Other Grants in Advance/Arrears**

Social Housing Grants and Other Capital Grants are accounted for using the Accrual Method as outlined in Section 24 of Financial Reporting Standard 102. Grants are treated as deferred income and recognised in income on a systematic basis over the expected useful life of the property and assets to which it relates.

Social Housing Grant attributed to individual components is written off to the Statement of Comprehensive Income when these components are replaced.

Social Housing Grant received in respect of revenue expenditure is credited to the Statement of Comprehensive Income in the same year as the expenditure to which it relates.

Although Social Housing Grant is treated as a grant for accounting purposes, it may nevertheless become repayable in certain circumstances, such as the disposal of certain assets. The amount repayable would be restricted to the net proceeds of sale.

**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**  
**NOTES TO THE FINANCIAL STATEMENTS**

**1. Principal accounting policies (continued)**

**Sales of housing properties**

First tranche Shared Ownership disposals are credited to turnover on completion. The cost of construction of these sales is taken to operating cost. In accordance with the Statement of Recommended Practice, disposals of subsequent tranches are treated as non-current asset disposals with the gain or loss on disposal shown in the Statement of Comprehensive Income.

Disposals of housing property under the Right to Buy scheme are treated as a non-current asset disposal and any gain and loss on disposal accounted for in the Statement of Comprehensive Income.

Disposals under shared equity schemes are accounted for in the Statement of Comprehensive Income. The remaining equity in the property is treated as a non-current asset investment, which is matched with the grant received.

**Estimation Uncertainty**

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Management Committee to exercise judgement in applying the Association's Accounting Policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements, is disclosed below:

**Rent Arrears - Bad Debt Provision**

The Association assesses the recoverability of rent arrears through a detailed assessment process which considers tenant payment history, arrangements in place, and court action.

**Life Cycle of Components**

The Association estimates the useful lives of major components of its housing property with reference to surveys carried out by external qualified surveyors.

**Useful Lives of Other Fixed Assets**

The useful lives of other fixed Assets are based on the knowledge of senior management at the Association with reference to expected asset life cycles.

**Pension Liabilities**

This has relied on the actuarial assumptions of qualified actuaries which have been reviewed and are considered reasonable and appropriate. Assumptions in respect of discount rates and inflation will vary from year to year, as will the value of assets and will be dependent on circumstances at the date of valuation.

**Costs of Shared Ownership**

The Association allocates costs to shared ownership properties on a percentage basis split across the number of properties the Association owns.

**Leases/leased assets**

Costs in respect of operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term. Assets held under finance leases and hire purchase contracts are capitalised in the Statement of Financial Position and are depreciated over their useful lives.

**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**  
**NOTES TO THE FINANCIAL STATEMENTS**

**1. Principal accounting policies (continued)**

**Works to existing properties**

The Association capitalises major repairs expenditure where these works result in an enhancement of economic benefits by increasing the net rental stream over the life of the property.

**Key Judgements made in the application of Accounting Policies**

**a) The Categorisation of Housing Properties**

In the judgement of the Management Committee the entirety of the Association's housing stock is held for social benefit and is therefore classified as Property, Plant and Equipment in accordance with FRS 102.

**b) Identification of cash generating units**

The Association considers its cash-generating units to be 270 in which it manages its housing property for asset management purposes.

**c) Pension Liability**

In May 2023 the Association received details from the Pension Trust of its share of assets, liabilities and scheme deficit. The Association has used this information as the basis of the pension defined benefit liability as disclosed in the accounts. The Management Committee consider that this is the best estimate of their scheme liability.

**d) Financial Instruments – Basic**

The Association only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like rents, accounts receivable and payable, loans from banks and related parties.

These are recognised in accordance with Section 11 of Financial Reporting Standard 102.

The Association's debt instruments are measured at amortised cost using the effective interest rate method.

**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**  
**NOTES TO THE FINANCIAL STATEMENTS**

**2. Particulars of revenue, operating costs and operating surplus/(deficit)**

	Note	2023		2022	
		Revenue £	Operating Costs £	Revenue £	Operating Costs £
Social letting activities	<b>3</b>	1,108,902	(955,460)	1,095,608	(923,696)
Other activities	<b>4</b>	173,869	(333,147)	179,275	(279,888)
<b>Total</b>		<u>1,282,771</u>	<u>(1,288,607)</u>	<u>1,274,883</u>	<u>(1,203,584)</u>
					<u>71,299</u>
					<u>Operating surplus / (deficit) £</u>
					171,912
					(100,613)
					71,299



**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**  
**NOTES TO THE FINANCIAL STATEMENTS**

**3. Particulars of income and expenditure from social lettings**

	General Needs Housing £	Shared Ownership Housing £	2023 Total £	2022 Total £
<b>Revenue from lettings</b>				
Rent receivable net of identifiable service charges	1,110,554	-	1,110,554	1,097,433
Service charges receivable	-	-	-	-
<b>Gross rents receivable</b>	<u>1,110,554</u>	<u>-</u>	<u>1,110,554</u>	<u>1,097,433</u>
Less rent losses from voids	(2,404)	-	(2,404)	(2,577)
<b>Net rents receivable</b>	<u>1,108,150</u>	<u>-</u>	<u>1,108,150</u>	<u>1,094,856</u>
 Amortisation of Social Housing & Other Grants	 752	 -	 752	 752
Revenue grants from local authorities and other agencies	-	-	-	-
<b>Total income from social letting</b>	<u>1,108,902</u>	<u>-</u>	<u>1,108,902</u>	<u>1,095,608</u>
 <b>Expenditure on social letting activities</b>				
Management and maintenance administration costs	449,614	-	449,614	432,052
Planned and cyclical maintenance including major repairs	164,371	-	164,371	129,707
Reactive maintenance	179,645	-	179,645	199,048
Bad debts - rents and service charges	4,290	-	4,290	931
Depreciation of social housing	157,540	-	157,540	161,958
<b>Operating costs of social letting</b>	<u>955,460</u>	<u>-</u>	<u>955,460</u>	<u>923,696</u>
 <b>Operating surplus on social letting activities</b>	<u>153,442</u>	<u>-</u>	<u>153,442</u>	<u>171,912</u>
 <b>2022</b>	<u>171,912</u>	<u>-</u>	<u>171,912</u>	

**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**  
**NOTES TO THE FINANCIAL STATEMENTS**

**4. Particulars of income and expenditure from other activities**

	Other Revenue Grants £	Other Income £	Total Turnover £	Operating costs bad debts £	Operating costs other £	Operating surplus/ (deficit) 2023 £	Operating surplus/ (deficit) 2022 £
Factoring	-	14,062	14,062	-	(14,138)	(76)	11,406
Medical Adaptations	11,257	-	11,257	-	(10,649)	608	2,001
Wider Action	42,262	-	42,262	-	(73,221)	(30,959)	(27,905)
Contracted out services	95,134	-	95,134	-	(235,139)	(140,005)	(104,185)
Other Income	-	11,154	11,154	-	-	11,154	18,070
<b>TOTAL FROM OTHER ACTIVITIES</b>	<b>148,653</b>	<b>25,216</b>	<b>173,869</b>	<b>-</b>	<b>(333,147)</b>	<b>(159,278)</b>	<b>(100,613)</b>
<b>TOTAL FROM OTHER ACTIVITIES FOR 2022</b>	<b>138,961</b>	<b>40,314</b>	<b>179,275</b>	<b>-</b>	<b>(279,888)</b>	<b>(100,613)</b>	

**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**  
**NOTES TO THE FINANCIAL STATEMENTS**

**5. Board members and officers' emoluments**

The officers are defined in the Co-operative and Community Benefit Societies Act 2014 as the members of the Management Committee, managers, and employees of the Association.

No emoluments have been paid to any member of the management committee.

No officers of the Association received emoluments greater than £60,000

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Total Emoluments paid to key management personnel	<u>75,012</u>	<u>71,403</u>

There were payments to committee members during the year for reimbursement of expenses of £572 (2022 - £25).

**6. Employee information**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Staff costs during the year:		
Wages and salaries	194,112	192,693
Social security costs	21,448	19,306
Other pension costs	<u>27,467</u>	<u>27,206</u>
	<u>243,027</u>	<u>239,205</u>

	<b>Number</b>	<b>Number</b>
The average number of full time equivalent persons employed during the year was	<u>6</u>	<u>6</u>

**7. (Loss) on disposal**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Sales proceeds	-	-
Cost of sales	(1,086)	(11,886)
Loss on sale	<u>(1,086)</u>	<u>(11,886)</u>

**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**  
**NOTES TO THE FINANCIAL STATEMENTS**

**8. Interest payable and similar charges**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Bank loans	<u>22,120</u>	<u>5,041</u>

**9. Operating (Deficit) / Surplus for the year**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
(Deficit) / Surplus is stated after charging / (crediting):		
Depreciation of tangible owned fixed assets	158,259	162,196
Auditors' remuneration	10,800	8,000
- audit services		
- other services	3,504	11,730
Operating lease rentals	12,000	12,000
- land and buildings		
- other	-	-
Amortisation of capital grants	<u>(752)</u>	<u>(752)</u>

**10. Tax on (deficit) /surplus on ordinary activities**

The Association is a Registered Scottish Charity and is exempt from Corporation Tax on its charitable activities.

**11. Other Finance Income/Charges**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Net interest and other expenses on defined benefit scheme	<u>3,000</u>	<u>6,000</u>

**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**  
**NOTES TO THE FINANCIAL STATEMENTS**

**12. Non-current assets**

<b>a) Housing Properties</b>	<b>Housing Properties Held for Letting</b>	<b>Land remediation works</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>COST</b>			
At start of year	7,117,239	833,930	7,951,169
Additions	105,586	12,994	118,580
Disposals	(4,710)	-	(4,710)
At end of year	<u>7,218,115</u>	<u>846,924</u>	<u>8,065,039</u>
<b>DEPRECIATION</b>			
At start of year	1,201,517	-	1,201,517
Charged during year	157,540	-	157,540
Eliminated on disposal	(3,624)	-	(3,624)
At end of year	<u>1,355,433</u>	<u>-</u>	<u>1,355,433</u>
<b>NET BOOK VALUE</b>			
At end of year	<u>5,862,682</u>	<u>846,924</u>	<u>6,709,606</u>
At start of year	<u>5,915,722</u>	<u>833,930</u>	<u>6,749,652</u>

There were no impairment charges in the year.

There were no capitalised development administration costs in the year.

New components capitalised during the year amounted to £105,586 (2022 - £1,138,699)

The Association's lenders have standard securities over housing property with a carrying value of £5,862,682 (2022 - £5,915,722).

**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**  
**NOTES TO THE FINANCIAL STATEMENTS**

**12. Non-current assets (continued)**

<b>b) Other tangible assets</b>	<b>Computer Equipment £</b>	<b>Furniture &amp; Fittings £</b>	<b>Total £</b>
<b>COST</b>			
At start of year	24,544	53,557	78,101
Additions	2,158	-	2,158
Disposals	-	-	-
At end of year	<u>26,702</u>	<u>53,557</u>	<u>80,259</u>
<b>DEPRECIATION</b>			
At start of year	24,067	53,557	77,624
Charged during year	719	-	719
Disposals	-	-	-
At end of year	<u>24,786</u>	<u>53,557</u>	<u>78,343</u>
<b>NET BOOK VALUE</b>			
At end of year	<u>1,916</u>	<u>-</u>	<u>1,916</u>
At start of year	<u>477</u>	<u>-</u>	<u>477</u>

**13. Debtors**

	<b>2023 £</b>	<b>2022 £</b>
Arrears of Rent & Service Charges	45,091	42,455
Less: Provision for Doubtful Debts	<u>(1,726)</u>	<u>(1,494)</u>
	43,365	40,961
Other Debtors	59,014	74,226
Prepayments and accrued income	<u>36,571</u>	<u>36,374</u>
	<u>138,950</u>	<u>151,561</u>

**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**  
**NOTES TO THE FINANCIAL STATEMENTS**

**14. Creditors: Amounts falling due within one year**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Housing Loans	63,412	61,648
Trade Payables	51,234	46,860
Rent in Advance	51,109	57,644
Other Taxation and Social Security	10,100	65,486
Other Payables	76,901	78,991
Accruals and Deferred Income	27,580	13,299
	<u>280,336</u>	<u>323,928</u>

**15. Creditors: Amounts falling due after one year**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Housing loans	<u>647,866</u>	<u>699,835</u>

The Association has a number of long term housing loans, the terms and conditions of which are as follows:

All of the Association's bank borrowings are repayable on a monthly basis with the principal being amortised over the term of the loans.

Loans are secured by specific charges on the Association's properties and are operating on a variable rate of interest. The facility is linked to SONIA and with a margin of 0.45%.

The Bank loans are repayable as follows:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Between one and two years	64,177	62,391
Between two and five years	197,214	191,728
In five years or more	386,475	445,716
	<u>647,866</u>	<u>699,835</u>

**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**  
**NOTES TO THE FINANCIAL STATEMENTS**

**16. Statement of cash flows**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Operating (Deficit) / Surplus	(5,836)	71,299
Depreciation	158,259	162,196
Amortisation of Capital Grants	(752)	(752)
Change in debtors	12,611	29,610
Change in creditors	(45,356)	(2,585)
Past service pension deficit contributions	(31,000)	(51,000)
Cancelled Shares	(27)	(10)
Cashflow from operating activities	<u>87,899</u>	<u>208,758</u>

**17. Analysis of net debt**

Reconciliation of net debt as at 31 March 2023

	<b>As at 1 April 2022</b>	<b>Cash flows</b>	<b>Non cash movement</b>	<b>As at 31 March 2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank	895,579	(78,715)		816,864
Bank loans due within one year	(61,648)	50,205	(51,969)	(63,412)
Bank loans due outwith one year	(699,835)		51,969	(647,866)
Net debt	<u>134,096</u>	<u>(28,510)</u>	<u>-</u>	<u>105,586</u>



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**18. Deferred income**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Social Housing Grants</b>		
Balance as at 1 April 2022	70,631	71,383
Additions in year	-	-
Amortisation in Year	(752)	(752)
Balance as at 31 March 2023	<u>69,879</u>	<u>70,631</u>
<b>Restricted Grants</b>		
Balance as at 1 April 2022	825,751	825,751
Additions in year	21,173	-
Amortisation in Year	-	-
Balance as at 31 March 2023	<u>846,924</u>	<u>825,751</u>
Total deferred grants	<u>916,803</u>	<u>896,382</u>
This is expected to be released to the Statement of Comprehensive Income as		
Amounts due within one year	752	752
Amounts due in one year or more	<u>69,127</u>	<u>69,879</u>
	<u>69,879</u>	<u>70,631</u>

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**19. Reserves**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Shares of £1 each Issued and Fully Paid</b>		
At 1 April 2022	109	111
Issued in year	6	8
Cancelled in year	<u>(27)</u>	<u>(10)</u>
At 31 March 2023	<u><u>88</u></u>	<u><u>109</u></u>

Each member of the Association holds one share of £1 in the Association. These shares carry no rights to dividends or distributions on a winding up. When a shareholder ceases to be a member, that person's share is cancelled, and the amount paid thereon becomes the property of the Association. Each member has a right to vote at members' meetings.

<b>Reserves</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
At 1 April 2022	5,829,015	5,668,926
(Deficit) / Surplus for year	(26,772)	49,089
Other comprehensive income	<u>(50,000)</u>	<u>111,000</u>
At 31 March 2023	<u><u>5,752,243</u></u>	<u><u>5,829,015</u></u>

**20. Housing stock**

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
The number of units of accommodation in management at the year end was:-		
General Needs	<u><u>270</u></u>	<u><u>270</u></u>

**21. Related party transactions**

Members of the Management Committee and their close family are related parties of the Association as defined by Financial Reporting Standard 102. The related party relationships of the members of the Management Committee are summarised as:

- Members are tenants of the Association
- Members are factored owners
- Management Committee members cannot use their position to their advantage. Any transactions between the Association and any entity with which a Management Committee member has a connection with is made at arm's length and is under normal commercial terms.

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**21. Related party transactions (continued)**

Transactions with Management Committee members and their close family were as follows:

- Rent Received from Tenants and family members on the Committee – £24,492.
- Factoring income received from Owner Occupiers in the Committee - £NIL.
- At the year-end total rent arrears owed by the tenant members of the Committee were £104.
- At the year-end total rent arrears owed by Owner Occupiers of the Committee were £NIL.

**22. Details of association**

The Association is a Registered Society registered within the Financial Conduct Authority and is domiciled in Scotland.

The Association's principal place of business is 43 Tharsis Street, Roystonhill, Glasgow, G51 4RB.

The Association is a Registered Social Landlord and Scottish Charity that owns and manages social housing in Glasgow.

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**23. Retirement benefit obligations**

The Association participates in the Scottish Housing Associations' Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 150 non-associated employers. The Scheme is a defined benefit scheme in the UK.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2021. This valuation revealed a deficit of £27m. A Recovery Plan was put in place to eliminate the deficit which ran to 30 September 2022.

The Scheme is classified as a 'last-man standing arrangement'. Therefore, the Association is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

For financial years ending on or before 28 February 2019, it was not possible for the Association to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the Association has accounted for the Scheme as a defined contribution scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the Association to account for the Scheme as a defined benefit scheme.

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2022. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2023 to 29 February 2024 inclusive.

The liabilities are compared, at the relevant accounting date, with the Association's fair share of the Scheme's total assets to calculate the Association's net deficit or surplus.

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**23. Retirement benefit obligations (continued)**

Pension Scheme Liability movements:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
As at 1 April 2022	48,000	204,000
Expenses	2,000	2,000
Net Interest expense	1,000	4,000
Deficit Contributions Paid	(31,000)	(51,000)
Impact of change in assumptions	50,000	(111,000)
As at 31 March 2023	<u>70,000</u>	<u>48,000</u>

**PRESENT VALUES OF DEFINED BENEFIT OBLIGATION,  
FAIR VALUE OF ASSETS AND DEFINED BENEFIT ASSET (LIABILITY)**

	<b>31 March 2023 (£000s)</b>	<b>31 March 2022 (£000s)</b>
Fair value of plan assets	1,013	1,650
Present value of defined benefit obligation	1,083	1,698
Surplus (deficit) in plan	(70)	(48)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(70)	(48)

**RECONCILIATION OF THE IMPACT OF THE ASSET CEILING**

	<b>Period ended 31 March 2023 (£000s)</b>	<b>Period ended 31 March 2022 (£000s)</b>
Impact of asset ceiling at start of period	-	-
Effect of the asset ceiling included in net interest cost	-	-
Actuarial losses (gains) on asset ceiling	-	-
Impact of asset ceiling at end of period	-	-

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**23. Retirement benefit obligations (continued)**

**RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION**

	Period ended 31 March 2023 (£000s)	Period ended 31 March 2022 (£000s)
Defined benefit obligation at start of period	1,698	1,780
Current service cost	-	-
Expenses	2	2
Interest expense	45	37
Member contributions	-	-
Actuarial losses (gains) due to scheme experience	(98)	85
Actuarial losses (gains) due to changes in demographic assumptions	(23)	5
Actuarial losses (gains) due to changes in financial assumptions	(400)	(125)
Benefits paid and expenses	(141)	(86)
Defined benefit obligation at end of period	1,083	1,698

**RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS**

	Period ended 31 March 2023 (£000s)	Period ended 31 March 2022 (£000s)
Fair value of plan assets at start of period	1,650	1,576
Interest income	44	33
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(571)	76
Contributions by the employer	31	51
Contributions by plan participants	-	-
Benefits paid and expenses	(141)	(86)
Fair value of plan assets at end of period	1,013	1,650

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2022 to 31 March 2023 was (£527,000).

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**23. Retirement benefit obligations (continued)**

**DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME (SOCI)**

	Period ended 31 March 2023 (£000s)	Period ended 31 March 2022 (£000s)
Current service cost	-	-
Expenses	2	2
Net interest expense	1	4
Defined benefit costs recognised in statement of comprehensive income (SoCI)	3	6

**DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME**

	Period ended 31 March 2023 (£000s)	Period ended 31 March 2022 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(571)	76
Experience gains and losses arising on the plan liabilities - gain (loss)	98	(85)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	23	(5)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	400	125
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(50)	111
Total amount recognised in other comprehensive income - gain (loss)	(50)	111

**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
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**23. Retirement benefit obligations (continued)**

**ASSETS**

	Period ended 31 March 2023 (£000s)	Period ended 31 March 2022 (£000s)
Global Equity	27	326
Absolute Return	14	76
Distressed Opportunities	31	59
Credit Relative Value	39	53
Alternative Risk Premia	6	68
Emerging Markets Debt	8	61
Risk Sharing	74	54
Insurance-Linked Securities	28	35
Property	42	43
Infrastructure	109	103
Private Debt	45	41
Opportunistic Illiquid Credit	45	55
High Yield	5	16
Opportunistic Credit	-	6
Cash	4	5
Corporate Bond Fund	1	104
Liquid Credit	-	11
Long Lease Property	34	47
Secured Income	68	88
Over 15 Year Gilts	-	1
Liability Driven Investment	429	399
Currency Hedging	2	(6)
Net Current Assets	2	5
<b>Total assets</b>	<b>1,013</b>	<b>1,650</b>

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.



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**23. Retirement benefit obligations (continued)**

**KEY ASSUMPTIONS**

	Period ended 31 March 2023 % per annum	Period ended 31 March 2022 % per annum
Discount Rate	4.88%	2.79%
Inflation (RPI)	3.20%	3.66%
Inflation (CPI)	2.74%	3.23%
Salary Growth	3.74%	4.23%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2023 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2023	20.5
Female retiring in 2023	23.0
Male retiring in 2043	21.7
Female retiring in 2043	24.4

Assumptions in respect of discount rates and inflation will vary from year to year, as will the value of assets and will be dependent on circumstances at the date of valuation.

**24. Capital Commitments**

	2023 £	2022 £
Expenditure contracted but not provided for in accounts	-	138,149
Funded by:		
Reserves	-	138,149
	-	138,149

**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
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**25. Contingent liability**

Copperworks Housing Association Limited's estimated debt on withdrawal at 30 September 2022 is £420,015.

We have been notified by the Trustee of the pension Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes.

The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and that matter is unlikely to be resolved before the end of 2024 at the earliest. It is recognised that this could potentially impact on the value of Scheme liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time.

No adjustment has been made in these financial statements in respect of this potential issue.

**26. Post balance sheet events**

The transfer of engagements from Copperworks Housing Association Limited to Spire View Housing Association Limited concluded on 1 August 2023.